



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE
June 1, 2005

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STATE TREASURER ANGELIDES UNVEILS “CALIFORNIA DEBT CLOCK” TO TRACK STATE’S \$25 BILLION-PLUS DEFICIT BORROWING

*As California Version of National Debt Clock Keeps Ticking at a Pace of
\$11 Million a Day, Treasurer Warns Governor and Budget Writers
Against More Borrowing to Paper Over Budget Deficits*

SACRAMENTO, CA – California State Treasurer Phil Angelides today unveiled the “California Debt Clock” and renewed his call to fairly balance the budget without piling additional debt on future generations. Today’s unveiling comes as the Governor and the Legislature enter the final stages of crafting the budget for the new fiscal year which begins on July 1. Treasurer Angelides, who has opposed deficit borrowing proposed by Governor Davis and Governor Schwarzenegger, was joined today by California kids who will bear the brunt of the State’s borrowing binge.

“The California Debt Clock sends an important message – it is time to stop the borrowing once and for all,” said Angelides. “California’s unprecedented reliance on massive borrowing to paper over budget deficits has weakened our ability to make the critical investments in education and transportation that move California forward. As the debt clock keeps ticking, California’s kids are taking a licking.”

The Debt Clock displays a continually updated figure estimating the total amount of the State’s budget debt – the amount the State has borrowed to cover deficits – and a breakdown showing the share of State debt for a California family of four.

The Debt Clock reveals that California’s total budget debt stood at over \$25.2 billion at the beginning of today, June 1st – approximately \$2,725 for every family of four. The State’s budget debt is growing by more than \$11 million every day, \$468,000 every hour and \$7,800 every minute. The current amount is 36 percent higher than when Governor Schwarzenegger took office with the promise to “cut up the credit card” and “never again spend more than we receive.”

Despite these pledges, the Governor’s new budget has a deficit of nearly \$5 billion – spending \$1.06 for every dollar it takes in. The repayment on the State’s budget debt alone will cost \$4 billion next year – exceeding the State’s support for the entire University of California system.



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Treasurer Angelides pointed out that California's deficit borrowing in the financial markets now exceeds that of all other states combined. "The California Debt Clock must change direction so that California can change direction," said Angelides.

The estimated total budget debt of \$25.2 billion is based on figures from the non-partisan Legislative Analyst's Office (LAO) and the Public Finance Division of the State Treasurer's Office. It includes approximately \$15.9 billion in deficit borrowing in the financial markets, \$3.8 billion borrowed from local communities and schools, and \$5.1 billion borrowed from transportation and other special funds, as well as accrued interest on the debt.

The clock will be on display in the lobby of the historic Jesse M. Unruh State Office Building on the Capitol Mall in Sacramento, which houses the offices of the California State Treasurer.

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